

10-1988

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### Recommended Citation

Meredith, Vicki and Brown, Betty (1988) "Women at the Partner Level: What Does the Future Hold?," *Woman C.P.A.*: Vol. 50 : Iss. 4 , Article 2.

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## Women at the Partner Level: What Does the Future Hold?

*By Vicki Meredith and Betty Brown*

An invisible but powerful barrier to the entry of women into the public accounting profession was removed by Title VII of the Civil Rights Act of 1964. Although many more women are now being hired by CPA firms, questions about long-term success will be answered only after these increased numbers of recruits have had time to be promoted to partner or principal level, a track that takes approximately 10 to 12 years. Have women been a significant part of the public accounting profession long enough for their influence to be felt at the partner level? What is the estimated time period when a significant percentage, as compared with total CPAs, of currently licensed women CPAs should reach partner or principal levels?

According to Sam Hoyt, an AICPA spokesman, no current data exists for estimating the percentage of CPAs who are women [Arbitol, p. 3]. Thus, in order to estimate when currently licensed women CPAs in a significant percentage should reach the partner level, it is necessary first to estimate the percentage of CPAs who are women and then to estimate the rate at which women have become CPAs.

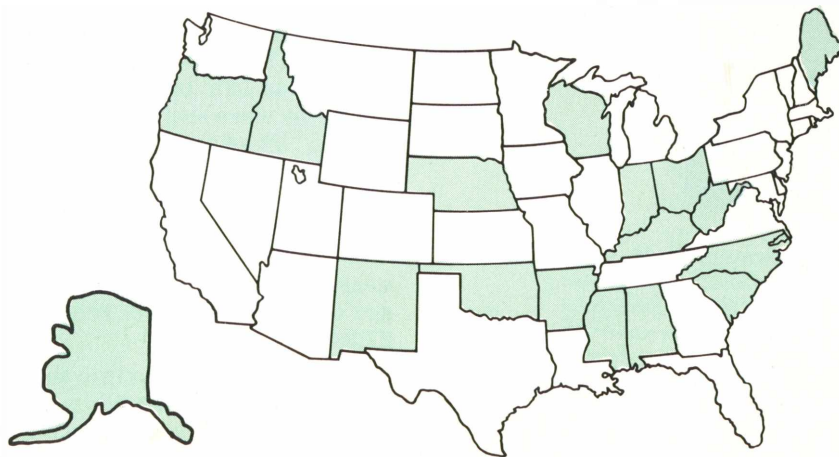
Data for making the estimates were obtained from the 1985 Certified Public Accounting registries of various states. Registries had to include certificate numbers (necessary for

determining certification dates) in order to estimate the rate at which women have become CPAs. The registries of seventeen states included certificate numbers and provided data in a usable form. States included in the sample were Alabama, Alaska, Arkansas, Idaho, Indiana, Kentucky, Maine, Mississippi, Nebraska, New Mexico, North Carolina, Ohio, Oklahoma, Oregon, South Carolina, West Virginia, and Wisconsin.

Since cultural differences in attitudes toward women as professionals may exist, a wide geographic dispersion of the sample states was important to the generalization of the findings. States included in the sample are highlighted on the map, and a visual inspection indicates the states are distributed throughout the country.

The 17 state registries used in the sample listed the name and the certificate number of each currently licensed CPA. The year of certification could be identified from the certificate number. Gender was determined by the first name. Those names that could be either male or female were assigned gender on a subjective basis. The data from the registries included 55,674 CPAs (46,724 men and 8,950 women). Data were aggregated into five-year blocks according to certification dates with the exception of pre-1930 dates, which were grouped together.

Once data were grouped into five-year time periods, the percentage of new certificate holders who were women was determined for each of these periods. A comparison of the



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percentages indicates no trend was established prior to 1970. At various times, the percentage of new certificate holders who were women increased, but subsequently the percentage would decrease.

During the 1935-39 period, only 2% of the CPAs in the sample who received certificates were women. A transition began during World War II. As the demand for accountants exceeded the number of men available, women were accepted and were able to gain the experience necessary to be certified. During 1940-44, women



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in the sample received 6.9% of the certificates issued. Subsequently, however, as a May 1951 *Journal of Accountancy* editorial reported, "when the soldiers came back they were re-employed, of course, and some of the women accountants had to give way" [p. 675]. Prevailing attitudes did not encourage the entry of women into the profession and women, as a percentage of new certificate recipients, dropped to approximately 3% and held at this rate until 1965.

Even though the Civil Rights Act of 1964 made it illegal to discriminate against women in hiring practices, the percentage of women certified during the 1965-69 period increased only slightly. This should not be unexpected. Once accounting was recognized as a career option for women, it took four years to obtain a degree and additional time for the requisite years of experience for certification. Using the sample data, when all currently licensed women CPAs who received their certificates prior to 1970 are compared with the total certificates issued during the same time period, the women account for only 3.4%.

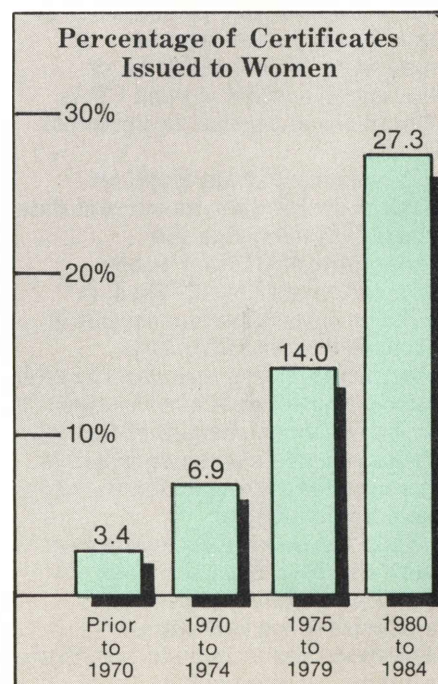
Although the percentage of new CPAs who were women increased to 6.9% in 1970-74, the 1975-79 period showed a stronger influx of women. The percentage during this period was 14%, but the women and the firms were still "testing the waters." Then the floodgate opened. As indicated by the graph, the doubling of the percentage of certificates issued to women that had occurred since 1970 was very nearly repeated during the 1980-84 period when the figure reached 27.3%.

The entry of women into the profession is represented by percentages computed in two ways from the sample data. The number

of women who received certificates in each of the five-year time spans is expressed as a percentage of (1) the total women CPAs in the sample and (2) the total CPAs in the sample.

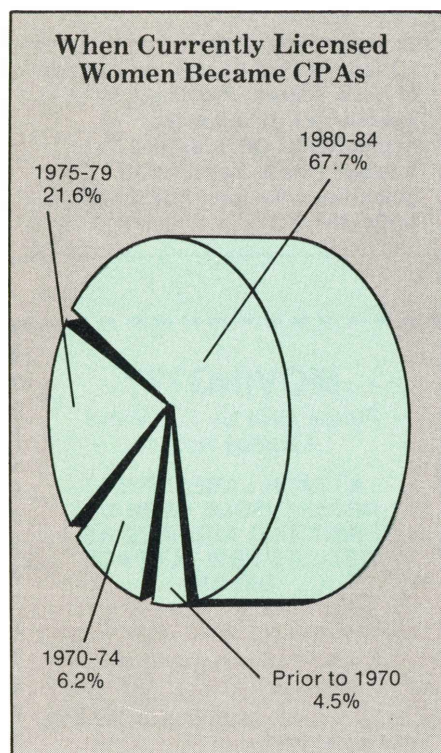
The percentages obtained using the total women CPAs in the sample indicate what proportion of the currently licensed women CPAs entered the profession during each time period. Less than one percent of the currently licensed women CPAs were certified in each of the five-year periods before 1960. During the 1960-64 period, 1% of the women CPAs in the sample were certified; during the 1965-69 period, almost 2%. Less than 5% of the currently licensed women CPAs in the sample held that designation before 1970 — only 18 years ago.

The dramatic trend upward began during the 1970-74 period when 6% of the women CPAs in the sample became certified. The next five years saw 22% certified and the





vast majority of those, nearly 68%, during 1980-84. Thus, almost 90% of the currently licensed women CPAs in the sample have been certified 13 years or less.



The above figures indicate in a dramatic way that women have recently entered the profession; however, they do not provide the necessary information to predict the estimated time period when a certain percentage of these recently licensed women CPAs should reach partner or principal levels. The total of men (46,724) and women (8,950) CPAs in the sample provide a basis for estimating the proportion of currently licensed CPAs who are women — 16%. The following breakdown of the 16%, obtained by comparing the women certified during each time period with the total CPAs in the sample, provides information about the

longevity of women in the profession:

	This Period	To Date
Prior to 1970	0.7%	0.7%
1970-74	1.0%	1.7%
1975-79	3.5%	5.2%
1980-84	10.9%	16.1%

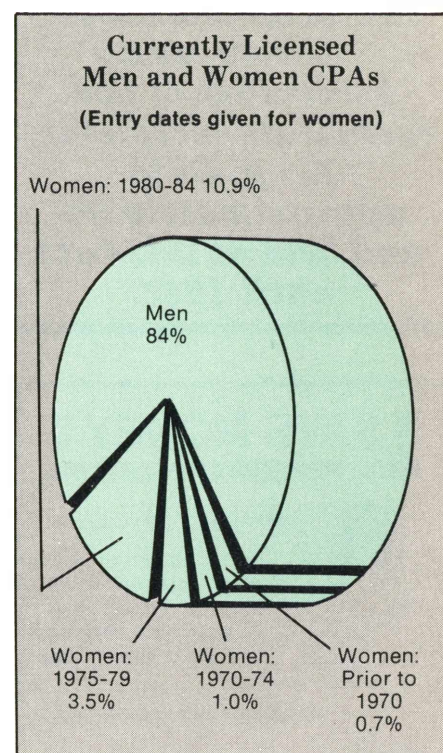
This breakdown provides a basis for estimating when a certain percentage of currently licensed women CPAs should reach the partner or principal level.

Hooks and Dahl, in a 1983 study, stated that prior to staff promotions that year, women represented "... approximately one percent of the total U.S. partners and principals of the nine (largest) firms" [p. 23]. In the fall of 1986, they conducted a similar survey and reported, "We had expected that the percentage of women partners would increase more than it did (3% up from 1%) due to the increase in absolute numbers..." [p. 20]. In this study, women represent less than one percent (0.7%) of the currently licensed CPAs certified prior to 1970. With the track to partner or principal level taking 10 to 12 years, it would follow that by 1982, 0.7% of the partners or principals would be women, and by 1986,

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1.7%. Thus, the results of Hooks and Dahl and those obtained from the sample data are similar.

For those women who were certified in the 1975-79 period, the



time is close for moving into the partner or principal level. If the percentage in the sample for this period only is used, it would be anticipated that 3.5% of the partners or principals will soon be women. If percentages for all periods prior to 1980 are used, then 5.2% of the partners or principals will soon be women. Following the same logic and using the percentages derived from the sample data, by 1995 at least 10.9%, and perhaps 16.1%, of the partners or principals in public accounting firms will be women.

Both men and women must move through the ranks at the appropriate pace in order to reach

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the partner level within the same average time span (unless exceptional individual performance warrants more rapid advancement). There is no empirical evidence to show that women need less time than men to prepare for the responsibilities of upper level positions. Certainly, women need time to gain sufficient experience, but what happens if the promotion of women to partner level in the next five or more years is not consistent with the percentage they represent in the profession?

How do we assure that women are advancing at the appropriate pace? The progress of women is very difficult to track because there are no available objective data to make an assessment. Census Bureau job classifications are not specific. (An accountant could be a clerk or a partner.) Data collected by questionnaires have inherent response biases. Moreover, samples derived from organizations do not always represent the characteristics of the total population. The AICPA Upward Mobility of Women Committee has recommended that the Institute "measure the progress of female CPAs over the next several years" [p. 5]. It is certainly hoped that the Institute will follow the suggestion of the committee and commit more resources to developing better methods for accumulating data on the tenure and advancement of all women in the accounting profession.

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